

Los Angeles, CA – Congressman Xavier Becerra, the only member from Southern California on the House Committee on Ways and Means, and Bill Spriggs from the Economic Policy Institute (EPI), reaffirmed today in a conference call with national media outlets that costly and radical gambles that put the retirement security of Latino workers at great risk are not needed to ensure that Social Security remains solvent for the long haul.

“When we talk about Social Security, we need to be talking about how to protect this indispensable benefit, not about how to radically change a program that has worked and provided a guaranteed monthly check for our nation’s neediest families” said Congressman Becerra. Becerra notes that because 3 of every 4 Latinos that receive Social Security benefits depend on it to provide half of their income, they are one of the groups who would be hardest hit by a private account gone wrong.

“Social Security has paid benefits in full and on time to every beneficiary, every month for the last 70 years. The program works well and can continue to provide 100% of its promised benefits for the next 75 years if left to operate under current economic conditions” continued the Congressman.

Under the President’s privatization proposals, as much as \$2.2 trillion would be taken out of the financing for current benefits payments over the next ten years and invested in individual stock market accounts for future retirees, leaving a hole in the funding source for current benefits.

The White House and other privatization supporters have indicated that they would borrow money to fill this hole, stiffing future generations with the debt. Privatization plans also would offset any increased gains in the individual accounts by cutting Social Security benefits for all workers and dumping the risk of stock market swings on individual account holders.

To contrast the cost of privatization, Congressman Becerra noted that the permanent solvency of Social Security and a guaranteed monthly benefit to all participants, could be assured simply by cutting one out of every three dollars from Bush's tax cut plans. "The President seems more intent on the eventual phasing out of Social Security rather than doing what is needed to make sure it works for future generations."

Congressman Becerra further noted that Social Security is first and foremost a family insurance program that protects people with disabilities and families whose primary income earners pass away from abject poverty. "Privatization does not guarantee that payments from individual accounts will meet the needs of people with disabilities or survivors of those who pass away before the account makes any substantial gains. Social Security ensures that their basic needs will be met. This guarantee dies with privatization."